

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATIONFORM APPROVED
OMB NO. 0938-0193TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATIONTO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

1. TRANSMITTAL NUMBER:

04 - 12

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)4. PROPOSED EFFECTIVE DATE
October 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
2 CFR 447.272

7. FEDERAL BUDGET IMPACT:

a. FFY 05 \$ -0-

b. FFY 06 \$ (25 million)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-D, Section IV, page 319. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Attachment 4.19-D, Section IV, page 31

10. SUBJECT OF AMENDMENT:

Long term care proportionate share pool payment sunset provision

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Paul Reinhart, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Paul Reinhart14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:

October 12, 2004

16. RETURN TO:

Medical Services Administration
Program/Eligibility Policy Division - Federal Liaison Unit
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933
Attn: Nancy Bishop

FOR OFFICE USE ONLY

17. DATE RECEIVED: OCT 13 2004

18. DATE APPROVED:

October 19, 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
OCT - 1 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: DENNIS G. Smith

22. TITLE: Director, CMSO

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(LONG TERM CARE FACILITIES)

N. Long Term Care Facility Proportionate Share Pool

A proportionate share pool is created each fiscal year to increase reimbursement to providers. Eligible providers are those owned by local units of government and in operation at the time of payment. Payment to each facility is in proportion to the facility's number of Medicaid Program inpatient days for the most recent completed calendar year. The inpatient days will be determined from the Medicaid program Invoice Processing payment data nine months after the end of the calendar year. The pool is created each state fiscal year subject to the upper payment limits of 42 CFR 447.272. The pool will be funded at a level not to exceed the Medicare upper payment limit for each state fiscal year, which ends September 30. A public notice will be distributed that provides information about what the payments will be each year. The information will comply with applicable federal public notice standards for each year.

O. Long Term Care Facility Proportionate Share Pool Payment Sunset Provision

Medicaid proportionate share payments are made to publicly-owned nursing facilities up to the upper payment limit as permitted by current federal regulations. These payments are authorized to continue through September 30, 2005. The state may submit state plan amendments effective after September 30, 2005 that re-implement the current payment structure or different payment methodologies.

P. Personal Clothing for Recipients in Class IV Intermediate Care Facilities for the Mentally Retarded (ICF/MR)

Class IV facilities are reimbursed for allowable costs determined in accordance with the Medicare Principles of Reimbursement (42 CFR 413), with the following additions:

To enable the normalization of recipients in ICFs/MR, street clothing supplied by the facility and/or required by the patient's plan of care will be considered an allowable cost for Medicaid patients residing in ICFs/MR who do not own or have other access to the clothing required.

Q. Beginning March 1, 2003, the Variable Cost Components of Class I and Class III Nursing Facilities, determined in accordance with Subsection C above, will be reduced by a factor of 1.85%.